

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Meeting of the Board of Trustees

April 18, 2005

CONFERENCE CALL MEETING

Board members present:

STEVEN JEFFREY, Chairperson, Employee Representative (term expiring July 1, 2007)

DAVID LEWIS, Employer Representative (term expiring July 1, 2006)

MARIE DUQUETTE, Governor's delegate

JEB SPAULDING, State Treasurer

Board members absent:

W. JOHN MITCHELL, II, Vice-Chairperson, Employee Representative (term expiring July 1, 2005)

Also attending:

David Minot, Director of Finance and Investments

Ellen Griggs AND Kevin Kondry New England Pension Consultants

The Chairperson, Steve Jeffrey, called the *conference call* meeting to order at 9:35 a.m. on Monday, April 18, 2005, held in the Treasurer's Office, 133 State Street, Montpelier, VT.

ITEM 1: Discuss/Act on International Equity Manager Selection

Ms. Griggs reviewed and discussed with the Board the international equity manger search and selection information and status of the current fee negotiations. She explained the optimum fees would be achieved if the Boards agreed to meet jointly to review performance presentations.

When asked by the Chair, both Ms. Duquette and Mr. Spaulding agreed with the recommendation and actions of the VSERS and VSTRS to engage Mondrian and Acadian, acknowledging the style and investment management by the two firms are suited and complement each other.

On a motion by Mr. Spaulding seconded by Ms. Duquette, the Board unanimously voted to divide their total international equity mandate and allocate 50% to Mondrian Investment Partners and 50% to Acadian Asset Management, subject to successful fee negotiations, with the intent of terminating their contract with UBS Global Asset Management.

ITEM 2: Any other business to come before the Board

Mr. Minot reminded the Board of their May 18, 2004 motion to assign Seix Investment Advisor contractual rights to Trusco Capital Management, a subsidiary of SunTrust Bank. He explained, upon the advice of the AG's Office that action should have raised to the level of a contract amendment rather than an assignment letter; therefore, a new contract with Trusco should be initiated.

On a motion by Mr. Spaulding seconded by Ms. Duquette, the Board unanimously voted to authorize the Treasurer's Office to initiate a new contract with Trusco Capital Management to replace the Seix Investment Advisor contract, pursuant to prior information regarding the SunTrust Bank acquisition.

Adjournment:

On a motion by Mr. Spaulding seconded by Ms. Duquette, the Board unanimously voted to adjourn at 9:55 a.m.

Next Meeting Dates:

The next scheduled quarterly investment meeting will be Tuesday, May 17, 2005.

Respectfully submitted,

Donna Holden, Board Coordinator
for
Cynthia Webster, Secretary to the Board